

Mayor's Office of Equal Opportunity

CITY OF CLEVELAND: *Compliance Monitoring Efforts in 2018*

2018 ANNUAL REPORT



Photo Credit: Donn Nottage Photos

City of Cleveland
Frank G. Jackson, Mayor
601 Lakeside Avenue, Room 335
Cleveland, Ohio 44114

July 17, 2019

Dedicated to:
Carol Leigh Whitaker
May 4, 1947 – March 31, 2019



City of Cleveland Employee since 1985 with the majority of her time spent working in CEO

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“Self-help means to invest in the local economy by procuring goods and services from local companies and by hiring local employees...Contracting is one strategy that the city of Cleveland is using to promote local economic investment and inclusion.”

In 2018, the goal of the Office is to expand community benefits into the private sector to include procurement of goods and services as a way of sustaining the local economy and creating generational wealth.



Mayor Frank G. Jackson

Letter from the Director

The City of Cleveland and the Mayor's Office of Equal Opportunity (OEO) continued to fulfill the Mayor's mission for the office, **“advancing equal economic benefit for all Clevelanders.”** By effectively administering, monitoring, and enforcing overall contract compliance goals and requirements, OEO serves as an advocate for business inclusion and resident employment within the community. The foundation of OEO's work is divided into four main functions including: 1) certification; 2) Good Faith Effort evaluation; 3) contract compliance; and 4) contract closeout. Through contracting, the functions of OEO provide Cleveland residents a pathway to self-sufficiency for all including minorities, females, and Cleveland area small businesses.

In 2018, OEO completed the Cleveland Resident Employment Law: A 10-Year Assessment of Codified Ordinance 188: 2007-2017. Based on the assessment, five recommendations were suggested to the current ordinance including: 1) connecting OEO to Workforce Development and Ohio Means Jobs.com through creating linkages between community groups and training programs throughout the city, along with widening the scope of training programs to include horizontal construction; 2) conducting research of surveying the number of residents in various construction trades; 3) suggesting legislative changes to the definition of low income and increasing the income thresholds; 4) making operational changes in OEO such as meeting with unions to determine a more fluid process of getting workers admitted to the union and considering ways in which hours are counted; and 5) meeting with other groups to further enhance the ordinance.

Based on the five recommendations, in November, Cleveland City Council passed the following changes to Codified Ordinance 188: 1) The approved “Low-Income Person” now retains their status for a continuous five year period and the requirement that the employee remain employed by the same employer was eliminated; and 2) the definition of Low Income Person (defined as a resident of the City of Cleveland who is a member of a family having an income equal to or less than the Section 8 Very_Low Income limit established by the Department of Housing and Urban Development) was **changed from Very Low Income to Low Income**. Both changes allow a greater percentage of individuals the opportunity to be included in Cleveland's workforce.

As the work of the Office moves into 2019, the Department is focusing on the following specific goals: 1) Implementing recommendations from the Cleveland Resident Employment Law Assessment; 2) Creating a systematic approach to certifying more contractors in the areas where the City is currently lacking certified contractors; and 3) Identifying a grant to assist with creating opportunities for wealth creation through procurement and sourcing.

As the Department continues to learn the fate of the Cleveland Resident Employment Law based on the State of Ohio's challenge of the Ordinance [Ordinance 188], we continue to enforce the law requiring that every public improvement contract at or greater than \$100,000 utilizes Cleveland residents for twenty percent (20%) of construction worker hours, and with good faith efforts, target four percent (4%) of the worker hours to Low Income residents. OEO remains committed to advancing equal economic benefit and opportunity to all Clevelanders, through the Ordinance and finding new ways of creating generational wealth for its residents.

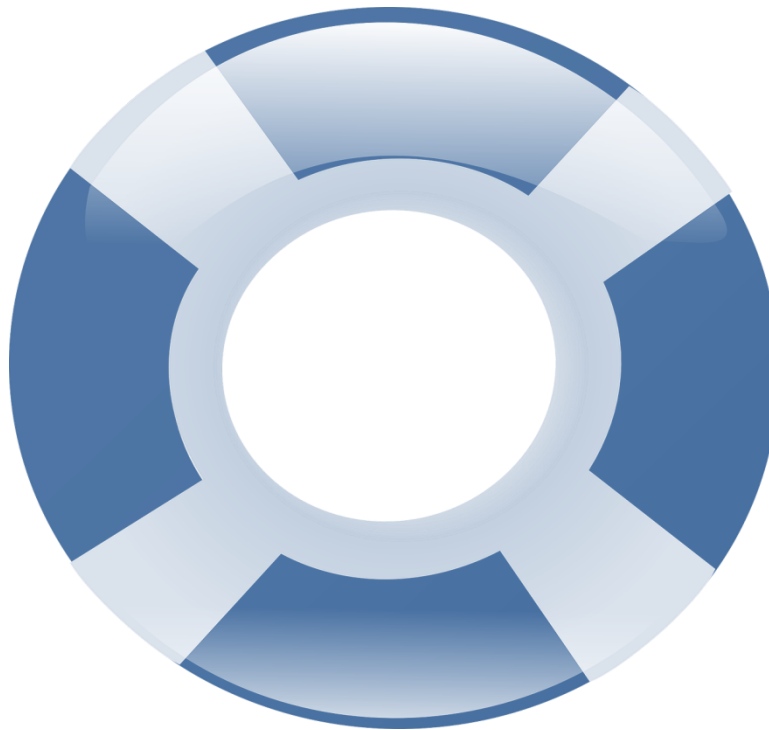


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OEO Lifecycle

1. Certification

Certifies businesses as local small businesses, minority-owned businesses, and/or female-owned businesses, and provides outreach.



2. Evaluation

Evaluates Good Faith Effort of bidders to meet subcontracting goals on contracts prior to award.

3. Compliance

Monitors contracts for compliance with MBE, FBE, and CSB subcontractor participation as well as Cleveland Residency and Cleveland Low Income workforce participation.

4. Closeout

Evaluates final contract compliance at contract closeout, and assesses penalties where applicable.

OEO Staff

OEO is responsible for the administration, monitoring and enforcement of the Fannie M. Lewis Cleveland Resident Employment Law, and the Cleveland Business Code, an ordinance that impacts Minority Business Enterprises (MBEs), Female Business Enterprises (FBEs), Cleveland Area Small Businesses (CSBs), Local Producers (LPEs), and Local Sustainable Businesses (SUBEs). OEO staff is committed to enforcement of Cleveland Codified Ordinance Chapters 187, 187A, and 188.

OEO Staff Members

Dr. Melissa K. Burrows	<i>OEO Director</i>
Michael Curry	<i>Assistant OEO Director</i>
Andrew Bean	<i>Contract Compliance Officer</i>
Barbara Esperon	<i>Administrative Manager</i>
Nora Singleton	<i>Certification Officer</i>
Hank Swager	<i>Contract Compliance Officer</i>
Jeremiah Triplett, Sr.	<i>Assistant Contract Compliance Officer</i>
Tiffany Washington	<i>Contract Compliance Officer</i>
Carol Whitaker	<i>Minority Business Development Officer</i>
Jennifer Wiman	<i>Contract Compliance Officer</i>

Executive Summary

The Office of Equal Opportunity's (OEO) Annual Report represents the City's Spend on contracting for the 2018 calendar year, outreach efforts to encourage and ensure inclusion, and the Department's outlook for 2019. The report is organized into several sections based on the Office's functionality including: Mission and Standards; Certification Team; Evaluation Team; and Compliance Team. Additionally, the report includes summaries from the Closeout/Penalty Team; Community Development and Economic Development Departments; and Community Benefits Agreements. Finally, the report provides a summary of results based on contracts awarded in 2018 based on participation goals and requirements, for contracts beginning at \$50,000 and above.

During the 2018 fiscal year, the City of Cleveland invested in **116** OEO evaluated contracts valued at **\$168,199,678.66**. The total amount does not include Community Development (CD) and Economic Development (ED) projects. Although both CD and ED projects receive City funding, the contracts are not approved through the standard City contracting processes of the Board of Control.

In 2018, certified prime contractors were awarded **\$58,007,937.48** compared to \$111,837,888.54 in 2017 representing 48.1% decline of all contracts awarded. Certified subcontractors were awarded a total of **\$36,947,690.88** compared to \$38,677,396.55 in 2017, representing a slight decrease of 4.5% of the total amount of dollars awarded. While approximately **22.0%** of contracts awarded includes all bid contracts that were issued with subcontracting goals attached, the percentage does not include those contracts where goals were waived due to impossibility or impracticality of subcontracting, given the nature of the product or service being procured. Additionally, there were no design/build contracts awarded in 2018.

Along with overseeing contracts, the Office of Equal Opportunity is engaged in other activities including: implementing recommendations based on the completion of the Cleveland Resident Employment Law: 10-Year Assessment; offering contractors with the opportunity of reciprocal certification between the State of Ohio and the City; amending legislation on a small contract rotation program; and partnering with various entities throughout the City on the Neighborhood Economic Impact & Equity Committee of Opportunity Corridor.

OEO's Mission, Standards and Ordinances

OEO Mission

The mission of the Office of Equal Opportunity is, “to advance equal economic benefit for all Clevelanders by ensuring compliance with contractor goals and requirements, by providing development and supporting activity for target groups and by overall advocacy with a commitment to excellent public service.”

OEO Standards

OEO administers, monitors, and enforces compliance for MBE, FBE, and CSB on municipal contracts. There are three teams within the department that handle the following administrative tasks:

1. **Certification Team:** Certifies businesses as local small businesses, minority-owned businesses, and/ or female-owned businesses, and provides outreach.
2. **Evaluation Team:** Evaluates the Good Faith Effort of bidders to meet subcontracting goals on contracts prior to award.
3. **Compliance Team:** Monitors contracts for compliance with MBE, FBE, and CSB subcontractor participation as well as Cleveland Residency and Cleveland Low Income workforce participation.
4. **Closeout Team:** Evaluates final contract compliance at contract closeout, and assesses penalties where applicable.

OEO Ordinances

Chapter 123.08: Prevailing Wage

Chapter 187: *Cleveland Area Small Business Code*

Chapter 187A: *Local Producer and Sustainable Business Preference Code*

Chapter 188: *Cleveland (Fannie M. Lewis) Resident Employment Law*

Chapter 189: *Cleveland Fair Employment Law*

Certification Team

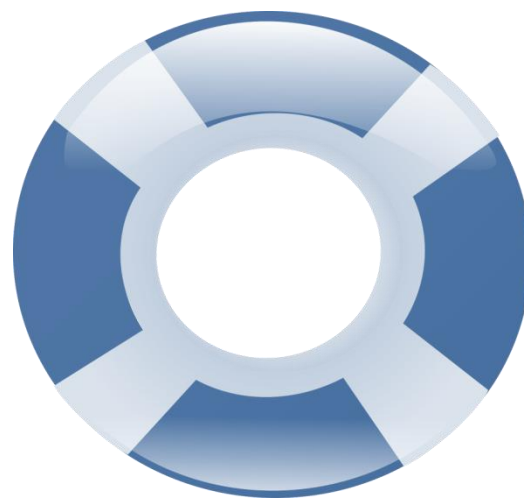
The Certification Team reviews and processes applications of companies seeking certification based on eligibility by the City of Cleveland's Office of Equal Opportunity as one or more of the following:

- Cleveland Small Business (CSB)
- Minority Business Enterprise (MBE)
- Female Business Enterprise (FBE)
- Local Producer Enterprise (LPE)
- Storefront Renovation Program (SRP)
- Local Sustainable Enterprise (SUBE)
- Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)

The Team maintains a registry of certified contractors and does a significant amount of consulting. It is estimated that the Certifications Team handles approximately 400 consultations per year by providing in-depth information to applicants regarding doing business with the City. Also, the Team provides business development and outreach, conducting one-on-one meetings with contractors. An example of an ongoing partnership is with Turner Construction on the James H. Walker/Turner Construction Management Program. Next year in 2019, the program will mark its 50th anniversary.

Certification

Certifies businesses as local small businesses, minority-owned businesses, and/or female-owned businesses, and provides outreach.



The James H. Walker/Turner Construction Management Program

As an example of business development and outreach, the James H. Walker Construction Management Program is sponsored by the City of Cleveland, Turner Construction Company, and Cuyahoga Community College. The purpose of the program is to build capacity of small businesses by providing them with business management competencies including but not limited to estimating, accounting, marketing, and several other construction management areas that allow construction companies to become more efficient and prosperous.

The Walker program is a twelve session course with classes held once a week. The course is taught by experienced construction and management professionals in various fields of expertise. To date, over 2,248 entrepreneurs, small as well as major business owners and trades people have taken this course and are now operating successful and distinguished businesses. The course is named in honor of the late James H. Walker, a former employee of the City of Cleveland. Mr. Walker advocated for the advancement of minorities in construction and general contracting. In 2018, 28 individuals were a part of the 49th graduating class. Next year, special events will be held as the program marks its 50th anniversary.


**JAMES H. WALKER / TURNER
SCHOOL OF
CONSTRUCTION
MANAGEMENT**

The annual James H. Walker / Turner School of Construction Management program started in Cleveland in 1969 by Turner Construction Company and the City of Cleveland with the mission to support small business growth within the local community. The program offers a series of practical courses led by instructors who have years of construction industry knowledge and expertise. Today, with the partnership of Cuyahoga County Community College, the program is held at Tri-C's Metro Campus.

Approaching its 49th year, the program has graduated more than 2,200 participants, helping more than 500 companies obtain contracts directly with the City of Cleveland!

With 40+ students currently enrolled in this year's program, Turner and the City of Cleveland are positioned for another year of success in helping local S/M/W/DBE certified businesses to enhance technical, administrative and managerial skills necessary to do business in the construction industry.

The 2018 session is still accepting applications. (see back for registration info.)



James H. Walker/Turner School of Construction Management graduating class of 2016.

FAQs:

Who can enroll?
The program is a free program available to owners and employees of small businesses; including minority-, women-, and disabled-business enterprises.

What are the course offerings?
Course topics include areas such as setting up a business, management, accounting basics, insurance and bonding, marketing, contract risk management, how to conduct business and certification programs with the City of Cleveland.

Program dates:
The program commences on Wednesday, February 21, 2018, from 6:00-8:30pm. Courses are held every Wednesday, from 6:00-9:00pm, thereafter for 11 weeks. The 12-week program concludes with a graduation ceremony at Rotunda Hall at City Hall.

Where are classes held?
Classes are held at Tri-C's Metro Campus Unified Technologies Center (UTC) in Cleveland.

What are the program's benefits?
The program improves economic viability and increases opportunities for the utilization of M/W/DBEs in Northeast Ohio. Graduates receive practical knowledge of navigating through the construction industry and the opportunity to connect directly with Turner's network of professionals, subcontractors and vendors.

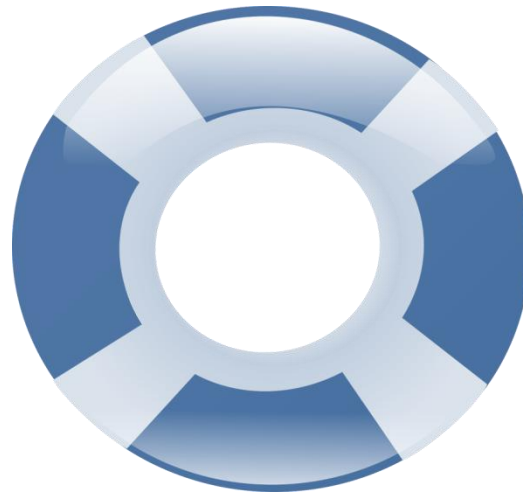
Turner
Building the Future

Evaluation Team

The Evaluation Team is responsible for evaluating OEO Schedules to determine whether a “good-faith effort” has been made to utilize CSB, MBE and FBE subcontractors. They are also responsible for determining whether or not a goal can be waived or reduced and for evaluating and approving RFP/RFQ mailing lists. The Evaluation Team prepares for and attends Board of Control Meetings (BOC) and Consultant Review Committee (CRC) Meetings in an advisory capacity.

Evaluation

*Evaluates Good Faith Effort
of bidders to meet
subcontracting goals on
contracts prior to award.*



Good Faith Effort

A major function of OEO is to evaluate a contractor’s commitment as submitted through documentation with bid packages. The evaluation is based on a contractor’s “good faith effort” to achieve the inclusion goals. Specifically, OEO reviews Schedules 1 through 4 to determine whether the contractor has made a good-faith effort to employ CSB, MBE, and FBE subcontractors, as applicable to the contract. To make their determination, OEO examines primarily the following aspects of the project on all bids beginning at \$50,000:

**City of Cleveland
Office of Equal Opportunity
Schedules Checklist**

This checklist will guide you through the Office of Equal Opportunity Schedules that must be completed and submitted as part of your bid or proposal and is used to determine a company's Good Faith Effort.

Schedule 1: Project Contact Information Form

- ☐ Is all requested contact information included?
- ☐ Is the form complete and signed?

Schedule 2: Schedule of Subcontractor Participation

- ☐ Did you specify the total dollar amounts for each subcontract?
- ☐ Did you verify that each subcontractor is certified for the type of work to be performed?
- Available on the City's website at: www.city.cleveland.oh.us/oeo.
- ☐ Is the form complete and signed?

Schedule 3: Statement of Intent to Perform as a Subcontractor

- ☐ Did the subcontractor specify the total dollar amount of the subcontract?
- ☐ If applicable, has the re-subcontracting section been completed?
- ☐ Is the form complete and signed by the subcontractor?

Schedule 4: CSB/MBE/FBE Subcontractor Unavailability/Impracticality Certification

- ☐ Did you list all companies you have contacted? (If additional space is needed, attach a separate sheet)
- ☐ If you are claiming that subcontracting is not available or practical on this contract, have you provided an explanation on a separate, attached sheet?
- ☐ Is the form complete and signed?



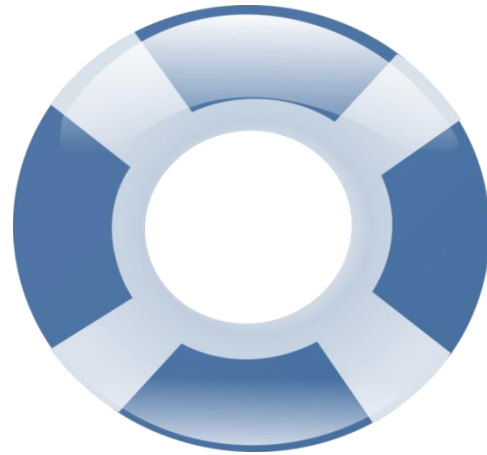
Photo Credit: City of Cleveland Photographic Bureau

Compliance Team

Throughout the life of a contract, the Compliance Team monitors active projects driving them to completion. Participation is closely monitored for compliance with MBE, FBE, and CSB subcontractor participation. Additionally, contracts are monitored for Cleveland Residency and Cleveland Low Income workforce participation.

Compliance

Monitors contracts for compliance with MBE, FBE, and CSB subcontractor participation as well as Cleveland Residency and Cleveland Low Income workforce participation.



Based on the type of contract (design build, horizontal construction, vertical construction, professional services and other), there are various Citywide participation goals. More specifically, the participation goals for contracting in the City of Cleveland are as follows:

Citywide Goals	
Design Build	40% CSB
Horizontal Construction	30% CSB
Vertical Construction	15% MBE; 8% CSB; 7% FBE*
Other	20% CSB
Professional Services	10% CSB
<i>*Only for Vertical Construction; due the City's Disparity Study</i>	

In addition to citywide goals, the Cleveland Resident Employment Law requirements are as follows:

Cleveland Resident Employment Law Requirements	
Cleveland Residents	20% of the contracts' total workforce hours
Low Income Workers	4% of the 20% of the contracts' workforce hours

Once contracts are completed, the Compliance Team provides a final audit of the contract and then requests assistance by the Closeout Team for review and determination of whether the contract met the goals and requirements on the contract.

The City of Cleveland's Resident Employment Law, also known as, the Fannie Lewis Law, continues to be challenged by the State of Ohio. The Ohio Supreme Court accepted the State's appeal of the 8th District Court of Appeals' decision in the Fannie Lewis Law case. The 8th District had issued an opinion that affirmed the trial court's decision in favor of the City — finding the General Assembly's actions were an unconstitutional violation of the City's local home rule authority. It was House Bill 180 (Public Improvements-Remove Local Hiring Restrictions), filed by the State, making it illegal for public entities to require contractors to employ a certain percentage of workers on public improvement contracts. Both the State of Ohio and the City of Cleveland prepared briefs in 2018, with oral arguments scheduled in 2019.

Councilwoman Fannie M. Lewis
(June 6, 1926 – August 11, 2008)



Photo Credit: City of Cleveland Photographic Bureau

Closeout Team

Once a project is complete, the Closeout Team carefully reviews and investigates whether or not all project goals and requirements have been met. In the event that that a contractor breaches its construction obligation for Cleveland Resident Construction Hours as stated in Section 188.02 of the City's Ordinance, the project is delivered to the Penalty Team for penalty calculation.

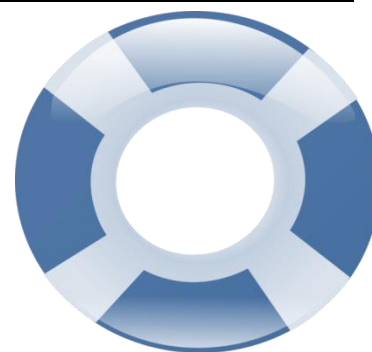
The Penalty Team calculates a penalty at the rate of one-eighth of one percent (0.125%) of the final total amount of the Construction Contract for each percentage by which it fails to meet the requirement. If a Low Income objective is not met, the Director in his or her sole discretion may determine whether a penalty is appropriate by conducting a Significant Efforts Test. Contractors are entitled to appeal the determination of penalty within 10 days of receiving their notice of penalty letter.

In **2018, \$74,576.72 in penalties** were assessed and upheld on City of Cleveland construction projects due to lack of compliance. There were two (2) penalty hearings held in 2018 due to contractor appeals. Of the two hearings held, one (1) penalty was reduced and one (1) penalty was overturned. Therefore, in 2018, a total of four (4) contractors were penalized. All monies owed by contractors have been collected, except \$770.00.

<u>Year</u>	<u>Assessments</u>	<u>Number of Firms</u>	<u>Penalty Hearings</u>	<u>Amount Penalized & Upheld in Year</u>	<u>Amount Collected</u>
2012	13	6	2	\$30,768.00	\$30,768.00
2013	7	6	1	\$91,929.00	\$91,929.00
2014	33	21	9	\$101,500.00	\$94,842.00
2015	5	5	2	\$12,243.00	\$12,243.00
2016	9	9	1	\$138,894.00	\$44,080.00
2017	8	8	2	\$22,241.00	\$12,941.00
2018	6	6	2	\$74,576.72	\$73,806.72

Closeout

Evaluates final contract compliance at contract closeout, and assesses penalties where applicable.



Community Development and Economic Development

Unlike other departments, Community Development (CD) and Economic Development (ED) projects are funded by a variety of sources, including both private and public funds. City funds are typically a small percentage of a project's total costs, as the City invests in partially financing projects and ensuring that important neighborhood developments come to fruition. This allows a relatively small amount of City funding to leverage millions of dollars in additional subcontracting opportunities to certified firms. OEO requires that project owners commit to using certified MBE, FBE and CSB contractors as a condition of the City investment, and those commitments are documented below.

Community Development

In 2018, the City awarded approximately **\$3,234,282** in Community Development assistance to development projects, helping to create **\$12,432,018** in additional contracting commitments to certified firms.

2018 Contracting Commitments to Certified Firms				
Total Hard Construction Costs	CSB Commitments	MBE Commitments	FBE Commitments	Total Certified Commitments
\$31,696,444	\$2,953,047	\$5,546,067	\$3,932,904	\$12,432,018
	9.3%	17.5%	12.4%	39.2%

Economic Development

In 2018, the City awarded approximately **\$19,242,419** in Economic Development assistance to development projects, helping to create **\$82,021,151** in additional contracting commitments to certified firms.

2018 Contracting Commitments to Certified Firms				
Total Hard Construction Costs	CSB Commitments	MBE Commitments	FBE Commitments	Total Certified Commitments
\$276,239,412	\$22,253,216	\$38,337,107	\$21,430,841	\$82,021,151
	8.1%	13.9%	7.8%	29.7%

Methodology

Results for 2018 were based upon contracts awarded during the year and monitored by OEO. City Board of Control (BOC) records were the primary data source for contract awards over \$50,000. As previously noted, Community Development and Economic Development contracts are not subject to BOC approval, and therefore recorded separately.

Certification Data

The Office of Equal Opportunity administers a certification program to identify Cleveland Area Small, Minority, Female, Local Producer, Sustainable, and Storefront Renovation Program (CSB, MBE, FBE, LPE, SUBE, & SRP) businesses participating in the procurement activities of the City of Cleveland. Certification is a review process designed to ensure and confirm that a local small business is actually located within the Cleveland contracting market as well as owned, controlled, and operated, by the applicants.

The certification program creates a registry of the local, minority, and female owned businesses, which serves as a directory of products and services that identifies businesses available for procurement and subcontracting opportunities. Certification is validated on an annual basis.

City contract awards are reported as a percentage given to CSB, MBE, and FBE owned firms. The contract amounts are divided among the various certification areas as follows:

- Cleveland Area Small Business (CSB)
- Minority Business Enterprises (MBE)
- Female Business Enterprises (FBE)

Presently there are **640** firms certified by the City of Cleveland and 116 monitored contracts in 2018. OEO has an electronic certification registry available for view on the OEO link on the City of Cleveland website: <http://www.cleveland.diversitycompliance.com>.

The Certification Registry provides a user-friendly method for the public to use allowing them access to information on companies that are certified by the City, including the type of certification obtained. The registry is updated on a daily basis.

Summary of Results for Contract Awards in 2018

OEO strives to administer, monitor and enforce the City's MBE, FBE, and CSB Enterprise codes for participation of prime and sub-contractors on municipal contracts. The staff evaluates City contracts to determine the appropriate goals based upon contract type and to validate participation levels (spend) of CSB, MBE, and FBE.

The City has established participation goals for prime and sub-contractors within five categories that routinely secure city contracts (see **Figure 1**). These categories include design build, construction, professional services, and "other." The category "other" includes supplies, requirement contracts, maintenance contracts, etc.

The City of Cleveland is required to periodically perform a disparity study to track the legitimacy of the program. Disparity studies determine whether barriers exist in the marketplace that may prevent small, minority and/or female-owned businesses from participating in both government and private sector contracting. OEO's most recent disparity study was concluded in December 2012. The Division of Purchases & Supplies and OEO have begun meeting in preparation for a new disparity study. It is anticipated that next year's OEO budget will include a line item for an updated study.

Based on a prior disparity study, **only** vertical construction contracts have specific MBE (15%), FBE (7%) and CSB (8%) participation goals. The study found that only this sub-sector within the construction category lacks the diversification needed to reflect doing business in Cleveland. The remaining contract types have a CSB goal.

The participation goals for 2018 were as follows:

Citywide Goals	
Design Build	40% CSB
Horizontal Construction	30% CSB
Vertical Construction	15% MBE; 8% CSB; 7% FBE*
Other	20% CSB
Professional Services	10% CSB
<i>*Only for Vertical Construction; due the City's Disparity Study</i>	

Figure 1: 2018 Annual Participation Goals



Citywide Results

In 2018, Cleveland awarded city contracts totaling approximately **\$168 million** (\$168,199,678.66) (see **Figure 2, below**). The City awarded approximately **\$106 million** (\$106,162,114.78) to firms in the construction category. Professional services contracts accounted for approximately **\$39 million** (39,123,511.40) in 2018, while other goods and services accounted for approximately **\$23 million** (\$22,914,052.48) in contracts awarded. In 2018, the City did not award any design build contracts to certified contractors.

Total City Contracting	2018
Total Received:	\$168,199,678.66
Construction	\$106,162,114.78
<i>Const. % of total</i>	<i>63.1%</i>
Professional Serv.	\$39,123,511.40
<i>Prof. Serv. % of total</i>	<i>23.4%</i>
Other Services	\$22,914,052.48
<i>Other Serv. % of total</i>	<i>13.5%</i>
Design Build	\$0
<i>Design Build % of total</i>	<i>0%</i>

Figure 2: 2018 Total City Contracting as a Whole



Cleveland's Skyline over Lake Erie, view from west side of the City

PRIME AWARDS

Certified Primes

Certified prime contractors account for approximately **\$58,007,937.48 million worth of prime contract awards in 2018** compared to \$111 million awarded in 2017. Of the **34.5%** of all prime contracts awarded by the City of Cleveland that were awarded to firms certified with the Office of Equal Opportunity, the majority of contracts were awarded to Cleveland-Area Small Business (CSB) Enterprise primes, representing 71.1% or \$41,206,610.37 million. In 2018, the percentages of certified prime awards are listed in Figure 3.

Certified Primes	
Total Received:	\$58,007,937.48
CSB	\$41,206,610.37
<i>CSB % of total</i>	<i>71.1%</i>
FBE	\$3,847,082.01
<i>FBE % of total</i>	<i>6.6%</i>
MBE	\$12,954,245.10
<i>MBE % of total</i>	<i>22.3%</i>

Figure 3: Certified Prime – Contract Awards

A further breakdown of total dollars spent on Certified Primes in 2018 is as follows:

Certified Primes 2018				
	<u>Construction</u>	<u>Professional Services</u>	<u>Other Services</u>	<u>Total</u>
CSB	\$37,229,995.37	\$3,771,615.00	\$205,000.00	\$41,206,610.37
FBE	\$3,847,082.01	\$0	\$0	\$3,847,082.01
MBE	\$9,942,774.10	\$2,393,726.00	\$309,365.00	\$12,954,245.10
Totals	\$51,019,851.48	\$6,165,341.00	\$822,745.00	\$58,007,937.48

Figure 4: Certified Primes – Total Dollar Breakdown

Certified Cleveland-Area Small Business (CSB) prime contractors accounted for approximately **\$41,206,610 in 2018**. Specifically, in 2018, CSB primes **71.0%** of all contract awards on City monitored contracts.

Cleveland-Area Small Business (CSB) Primes	
Total Received:	\$41,206,610.37

Figure 5: Cleveland-Area Small Business-Owned Primes – Contract Awards

Cleveland-Area Small Business (CSB) Primes 2018				
	<u>Construction</u>	<u>Professional Serv.</u>	<u>Other Services</u>	<u>Total</u>
CSB	\$37,229,995.37	\$3,771,615.00	\$205,000.00	\$41,206,610.37

Figure 6: Cleveland-Area Small Business-Owned Primes – Total Dollar Breakdown

Certified Female-owned prime contractors accounted for approximately **\$3,847,082.01 in 2018**, accounting for **6.6%** of the City's monitored prime contract spend.

Female-Owned (FBE) Primes	
Total Received:	\$3,847,082.01

Figure 7: Female-Owned Primes – Contract Awards

Female-Owned (FBE) Primes 2018				
	<u>Construction</u>	<u>Professional Serv.</u>	<u>Other Services</u>	<u>Total</u>
FBE	\$3,847,082.01	\$0	\$0	\$3,847,082.01

Figure 8: Female-Owned Primes – Total Dollar Breakdown

Certified Minority-owned prime contractors accounted for approximately **\$12,954,245.10** in **2018**. Specifically, in 2018, certified minority-owned primes **22.3%** of all contract awards on City monitored contracts.

Minority-Owned (MBE) Primes	
Total Received:	\$12,954,245.10

Figure 9: Minority-Owned Primes – Contract Awards

Minority-Owned (MBE) Primes 2018				
	<u>Construction</u>	<u>Professional Serv.</u>	<u>Other Services</u>	<u>Total</u>
MBE	\$9,942,774.10	\$2,393,726.00	\$309,365.00	\$12,954,245.10

Figure 10: Minority-Owned Primes – Total Dollar Breakdown

SUBCONTRACTOR AWARDS

Certified Subcontractors

In 2018, certified subcontractors received nearly **\$36 million** (\$35,860,728.27) in subcontracting opportunities compared to \$39 million in 2017 on City of Cleveland projects. The greatest subcontracting participation occurred with MBE contractors representing 37.2%.

Certified Subcontractors	
Total Received:	\$35,860,728.27
CSB	\$10,602,922.15
<i>CSB % of total</i>	<i>29.6%</i>
FBE	\$11,762,150.02
<i>MBE % of total</i>	<i>32.8%</i>
MBE	\$10,883,280.10
<i>FBE % of total</i>	<i>30.3%</i>
MBE/FBE	\$2,612,376.00
<i>MBE/FBE % of total</i>	<i>7.3%</i>

Figure 11: Certified Subcontractors – Contract Awards

Certified Subcontractors 2018					
	<u>Vertical Construction</u>	<u>Horizontal Construction</u>	<u>Professional Services</u>	<u>Other</u>	<u>Total</u>
CSB	\$1,618,629.00	\$6,074,908.53	\$1,589,623.62	\$1,319,761.00	\$10,602,922.15
FBE	\$1,465,254.00	\$9,461,052.09	\$633,023.93	\$202,820.00	\$11,762,150.02
MBE	\$3,554,672.00	\$3,598,277.10	\$2,484,479.60	\$1,245,851.40	\$10,883,280.10
MBE/FBE	\$339,051.00	\$633,825.00	\$99,500.00	\$1,540,000.00	\$2,612,376.00
Totals	\$6,977,597.00	\$19,768,062.72	\$4,806,627.15	\$4,308,432.40	\$35,860,728.27

Figure 12: Certified Subcontractors – 2018 Breakdown

Certified Cleveland-Area Small Business (CSB) Subcontractors	
Total Received:	\$10,602,922.15

Figure 13: Cleveland-Area Small Business Subcontractors – Contract Awards

Certified Cleveland-Area Small Business (CSB) Subcontractors 2018					
	<u>Vertical Construction</u>	<u>Horizontal Construction</u>	<u>Professional Services</u>	<u>Other</u>	<u>Total</u>
CSB	\$1,618,629.00	\$6,074,908.53	\$1,589,623.62	\$1,319,761.00	\$10,602,922.15

Figure 14: Cleveland-Area Small Business Subcontractors – 2018 Breakdown

Certified Female-Owned Subcontractors	
Total Received:	\$11,762,150.02

Figure 15: Female-Owned Subcontractors – Contract Awards

Certified Female-Owned Subcontractors 2018					
	<u>Vertical Construction</u>	<u>Horizontal Construction</u>	<u>Professional Services</u>	<u>Other</u>	<u>Total</u>
FBE	\$1,465,254.00	\$9,461,052.09	\$633,023.93	\$202,820.00	\$11,762,150.02

Figure 16: Female-Owned Subcontractors – 2018 Breakdown

Certified Minority-Owned Subcontractors	
Total Received:	\$10,883,280.10

Figure 17: Minority-Owned Subcontractors – Contract Awards

Certified Minority-Owned Subcontractors 2018					
	<u>Vertical Construction</u>	<u>Horizontal Construction</u>	<u>Professional Services</u>	<u>Other</u>	<u>Total</u>
MBE	\$3,554,672.00	\$3,598,277.10	\$2,484,479.60	\$1,245,851.40	\$10,883,280.10

Figure 18: Minority-Owned Subcontractors – 2018 Breakdown

Certified Minority/Female-Owned Subcontractors	
Total Received:	\$10,883,280.10

Figure 19: Minority/Female-Owned Subcontractors – Contract Awards

Certified Minority/Female-Owned Subcontractors 2018					
	<u>Vertical Construction</u>	<u>Horizontal Construction</u>	<u>Professional Services</u>	<u>Other</u>	<u>Total</u>
MBE/ FBE	\$339,051.00	\$633,825.00	\$99,500.00	\$1,540,000.00	\$2,612,376.00

Figure 20: Minority/Female-Owned Subcontractors – 2018 Breakdown

Contract Compliance and Monitoring

Vertical Construction

In general, Vertical Construction refers to the building of structures from the foundation up. In 2018, the city awarded **\$36,877,982.68** to firms in the Vertical Construction category. **Certified prime** firms were awarded **\$11,859,333.82 (32%)** of Vertical Construction contracts. Additionally, **certified subcontractors** were awarded **\$13,041,383.00** in subcontracts on Vertical Construction contracts in 2018.

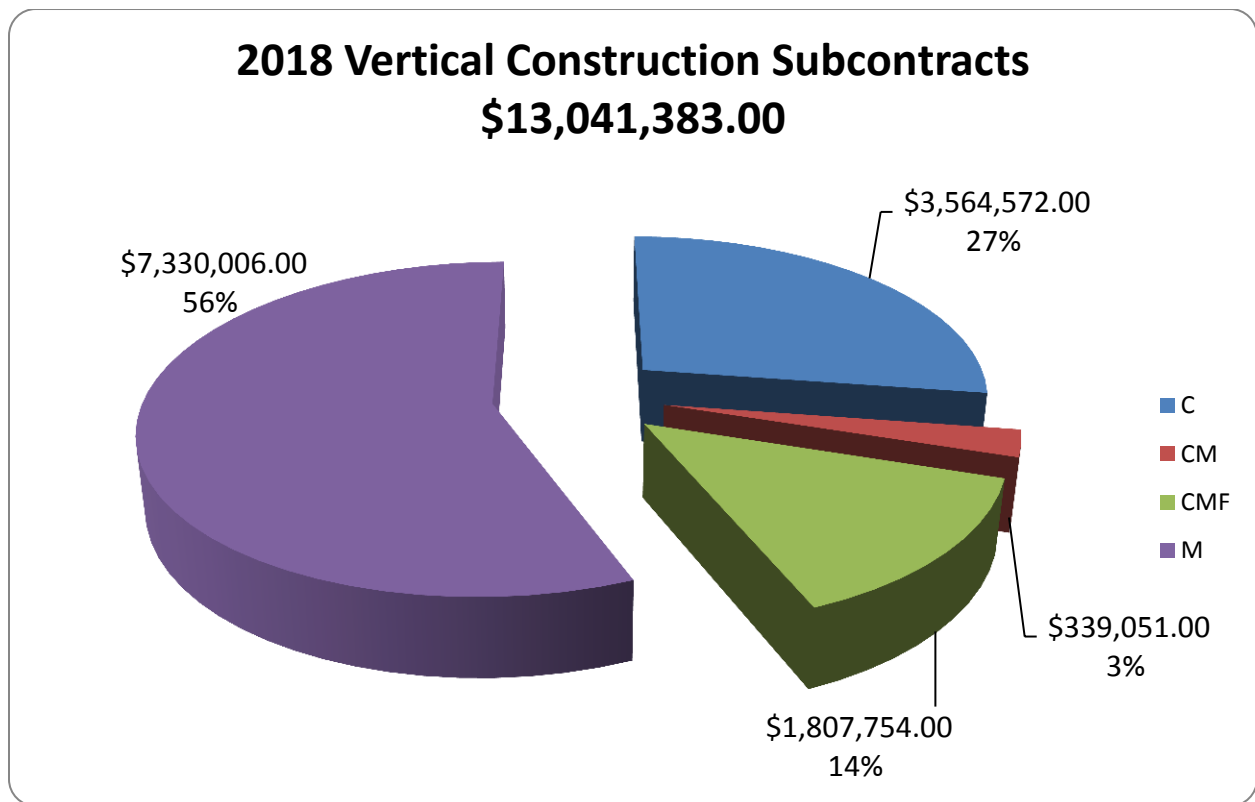


Figure 15: Certified Subcontractor Awards – Vertical Construction

The OEO goal for the Vertical Construction category is **30%** combined MBE, FBE, and CSB subcontractor participation. In 2018 the City awarded **35%** of all its Vertical Construction contract dollars to certified subcontractors.

Horizontal Construction

Horizontal Construction projects are streetscape and utilities projects that provide the city infrastructure. In 2018, the city awarded **\$69,284,132.10** to firms in the Horizontal Construction category. **Certified prime** firms were awarded **\$39,160,517.66 (57%)** on Horizontal Construction contracts. Additionally, **certified subcontractors** were awarded **\$20,127,062.72 (29%)** on Horizontal Construction contracts in 2018.

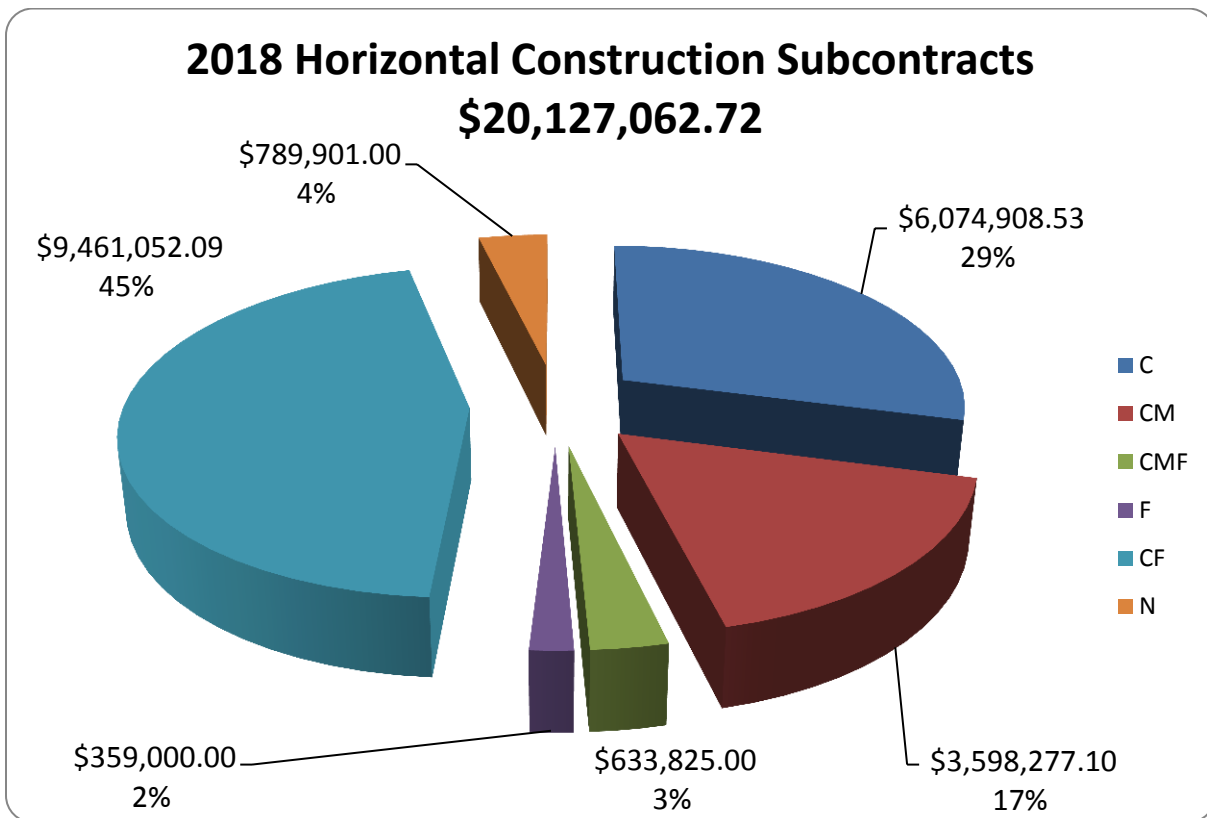


Figure 16: Certified Subcontractor Awards – Horizontal Construction

The OEO goal for the horizontal construction category is **30%** CSB subcontractor participation. In 2018 the City awarded **29%** of all its Vertical Construction contract dollars to certified subcontractors.

Professional Services

Professional Services projects are those contracts that provide general consulting services for the city. In 2018, the city awarded **\$39,123,511.40** to firms in the Professional Services category. **Certified prime** firms were awarded **\$6,165,341.00 (16%)**. Additionally, **certified subcontractors** were awarded **\$5,182,189.76 (13%)** on Professional Services contracts.

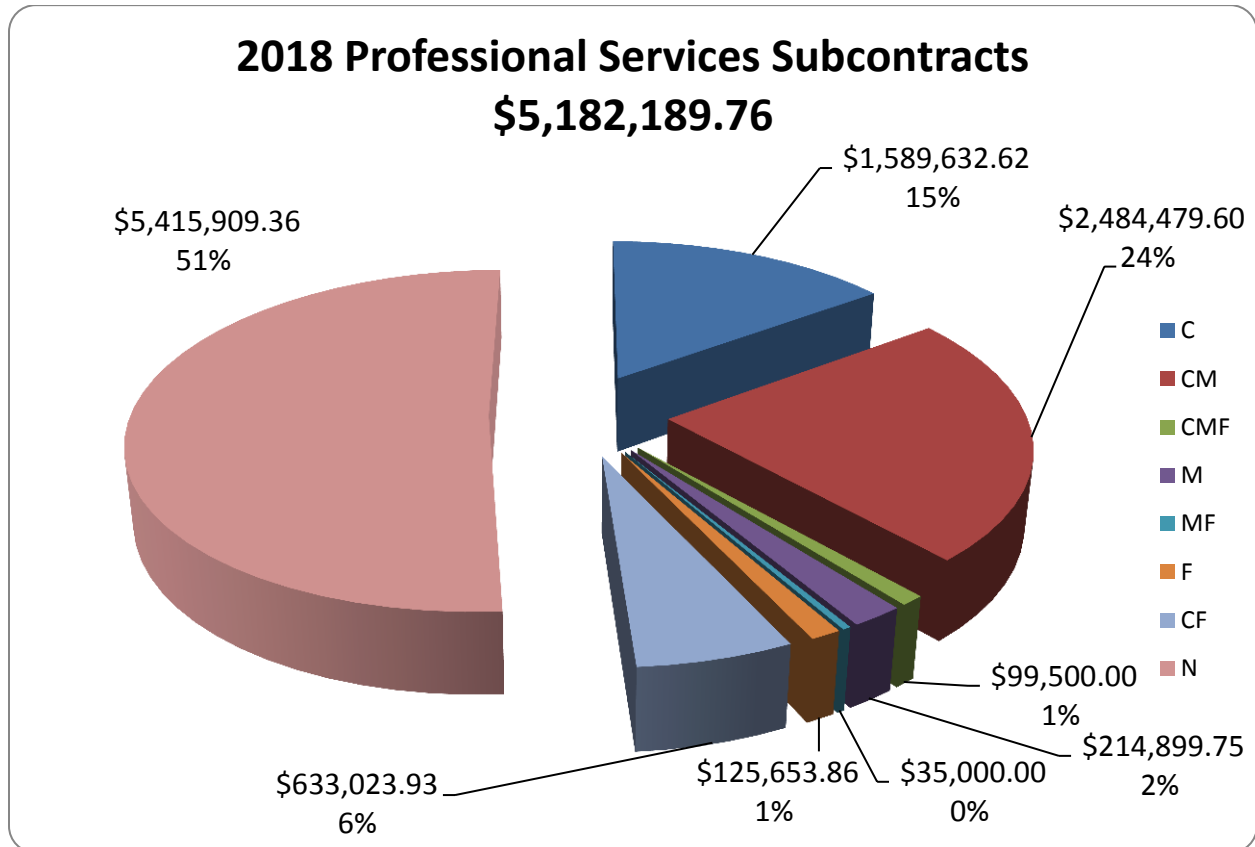


Figure 17: Certified Subcontractor Awards – Professional Services

The OEO goal for the professional services category is **10%** CSB subcontractor participation. In 2018 the City awarded **13%** of contract dollars in this category to certified subcontractors.



Photo Credit: City of Cleveland Photographic Bureau



CITY OF CLEVELAND